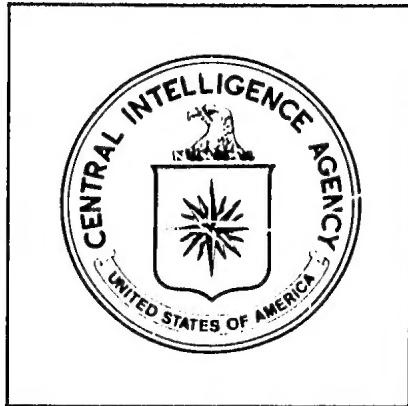


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STAFF NOTES:

Developments in Indochina

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Approved For Release 2005/04/19 : CIA-RDP86T00608R000300090008-3

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DEVELOPMENTS IN INDOCHINA

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CAMBODIA

Crisis in the Northwest

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For the first four years of the war in Cambodia, the northwestern province of Battambang remained a relative backwater. The agriculturally rich region was so quiet, in fact, that when Phnom Penh was threatened in 1973 and early 1974, military and civilian leaders spoke privately of evacuating the government to the provincial capital of Battambang City. Last summer, however, the Khmer Communists began to step up their attacks in the province. What started as a series of hit-and-run raids against outlying government positions has gradually escalated into a province-wide insurgent campaign, and the situation in Battambang now is assuming crisis proportions.

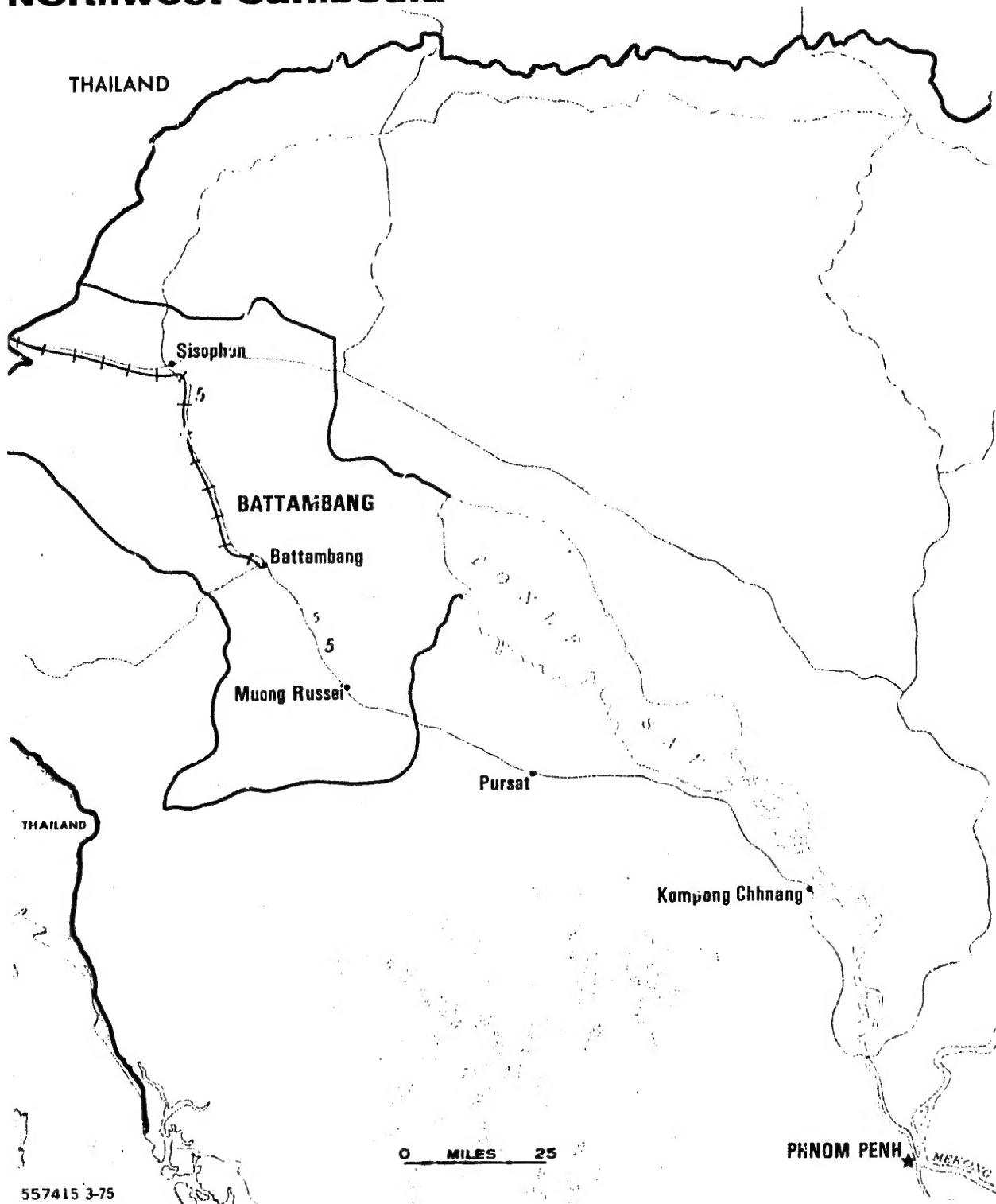
The unraveling on the military front began to accelerate in mid-February, when the insurgents attacked and occupied most of the district town and key agricultural center of Muong Russei, on Route 5 some 25 miles southwest of Battambang City. Government defenders held on to several positions in the town for over a week, as relief columns tried to fight their way toward Muong Russei from the north and south. The town and its warehouses of recently harvested rice were finally abandoned early last week, however, and Communist units have now advanced north on Route 5 to within 15 miles of Battambang City.

Even before the attack on Muong Russei, insurgent forces had made substantial inroads against government-controlled territory north of Battambang City. Although the engagements in this area were on a relatively small scale, the Communists by mid-February had closed all secondary roads running northwest from the provincial capital and had reduced

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the normally heavy flow of traffic on Route 5 to a trickle. On February 22, insurgent forces ambushed a train on the railway between Battambang City and the Thai border--the last Cambodian link in a rail system that once connected Phnom Penh and Bangkok. Only 40 survivors reached Battambang City: 25 passengers were executed and about 100 kidnaped.

Provincial authorities have also been faced with serious civil unrest. Teachers in Battambang City went on strike on February 17 to dramatize their demands for higher wages, and idled students wasted little time in finding mischief. Sparked by the publication in Phnom Penh newspapers of letters, allegedly written by Chinese, slandering Cambodians, about 1,000 students took to the provincial capital's streets on February 20 and 21, ransacking and destroying a number of Chinese shops. Local authorities brought the situation under control by promising to meet some student demands--eliminating certain privileges enjoyed by the Chinese. But the students have threatened to renew their demonstrations at the end of this week if all their demands are not accepted. The combination of civil unrest and insurgent military successes has caused some panic, and many of Battambang's wealthy families have fled to Thailand.

The military governor of Battambang, Major General Sar Hor, has become the scapegoat for the deteriorating situation. Sar Hor won high marks as commander of Kompong Cham City following the devastating insurgent attacks and the resulting breakdown of law and order there in the summer of 1973. He was sent to Battambang late last year to replace the notoriously corrupt governor, Brigadier General Sek Sam Iet, who was given an obscure post in Phnom Penh. In a bizarre turnabout, Sar Hor will be recalled to Phnom Penh this week and will

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be replaced by Sek Sam Iet. Leaders in the capital apparently reason that given the current national crisis, a corrupt but effective leader in Battambang is preferable to an honest but passive one.

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A Question of Timing

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Despite the grave threat to the Phnom Penh government, Prime Minister Long Boret has reopened the Pandora's box of internal Cambodian politics. The issue is reform, and the struggle has traditionally been between those liberal-minded elements who want to remake the country's socio-economic order and the entrenched establishment whose interest in change is minimal. Boret's intentions are unquestionably good, and he appears driven by a desperate hope of strengthening popular support for the government and the war effort. His timing, however, is unfortunate. Under present conditions it is doubtful whether much progress can be made toward redressing long-standing ills, and Boret's efforts are dissipating the energy of key leaders.

The reform package that Boret presented to President Lon Nol in late January, for example, contained, among other measures, comprehensive programs for stricter government control over exports, imports, rents, and transportation. The need for such steps has been obvious for years, and in normal times their implementation would have cut back on profiteering and promoted commerce. Enactment of such reforms now when commercial life is at a standstill and when the US airlift is Phnom Penh's only means of resupply is unrealistic.

Boret's efforts to reform the military also appear ill-timed. Boret has long been frustrated by the military's independence and immunity from civilian policy decisions. He believes the armed forces must answer to the civilian government if any progress is to be made in related problems of corruption and economic deterioration. To increase his control over the military, Boret wants to bring

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the army commander in chief into the cabinet as defense minister. Boret and commander in chief Sosthene Fernandez have been involved in an intense personal feud, however, and Fernandez has refused to join Boret's cabinet. As a result Boret, along with a number of younger military leaders, is calling for Fernandez' resignation.

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NORTH VIETNAM

Peking-Hanoi Wrangling

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Signs of tension in Peking's relations with Hanoi have increased in recent weeks. As in the past, evidence of friction between the two sides peaked earlier this year when battlefield action was on the upswing and Hanoi's requirements for support presumably had increased.

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The frictions are evident in public comments from both sides,

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Explanations of these difficulties lie in Hanoi's apparent view that Peking has not provided full support to the war effort in South Vietnam and in Peking's concern that Hanoi is attempting to expand its influence in Indochina.

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Peking's own propaganda has reflected this difference. When the fighting in the South picked up in January, Chinese media coverage of the situation was reserved. Instead of providing detailed coverage of Communist victories, the Chinese press emphasized that Communist initiatives were aimed at preserving the Paris accords and played down the large-scale nature of this military activity.

The friction apparently goes beyond differences over the Vietnam war. Last month, on the first anniversary of Peking's assertion of authority in the Paracel Islands, the Chinese press took note of the event with articles that pointed up the historical basis of Peking's claim to sovereignty there. An NCNA commentary also asserted that Peking would brook no challenge to its position in the islands--presumably from Hanoi as well as from other quarters. A North Vietnamese official in Hong Kong implied in January that Hanoi had officially protested to the Chinese on the Paracel issue.

Other examples of Peking's apparent unhappiness with Hanoi include:

--Coverage of the second anniversary of the Paris Accords, which was limited to an NCNA correspondent's account in contrast to the *People's Daily* editorial last year commemorating the event.

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--Chinese media apparently made no mention of the 25th anniversary of the establishment of PRC-DRV diplomatic relations in 1950.

The current situation in Cambodia is almost certainly influencing Peking's wary attitude toward Hanoi. As the Khmer Communists, whose ties with Hanoi are apparently closer than those with Peking, draw closer to a military victory in Cambodia, Chinese fears of widening North Vietnamese influence in Indochina almost certainly grow. The Chinese also seem to be concerned about increased Soviet influence on the Khmer Communists--both directly and indirectly through Hanoi--in the event of an early Communist victory.

Peking apparently does not believe that the Communists are likely to win a quick victory in South Vietnam. It is clear that such a development, together with a Communist take-over in Cambodia, would cause serious problems for Peking. Chinese leaders almost certainly recognize that the resultant absence of a strong US presence in Indochina would bring Peking into even more direct and costly competition there with both Hanoi and the Soviets.

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Peking's interest in maintaining maximum influence in Hanoi is further reflected by a PLA delegation's arrival in the North Vietnamese capital last

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week. The mission, headed by Sinkiang military chief Yang Yung, almost certainly will take up the Cambodian situation with Vietnamese leaders. The visit is also probably a Chinese attempt to balance the trip to Hanoi made late last year by a high-level Soviet military group.

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Hanoi Irked at New Thai Government

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Hanoi's attitude toward Bangkok appears to have taken on a new chill. Statements by members of Prime Minister - designate Seni Pramot's proposed government have prompted sharp criticism in the North Vietnamese media, suggesting that in Hanoi's eyes Seni represents little change from the previous administration.

Hanoi reopened the subject of improved relations with Bangkok last November. In a sharply worded note charging the Thai with "countless crimes" against Indochina, Hanoi insisted that Bangkok "completely and permanently end the presence of US troops and military bases in Thailand" before serious negotiations could be held. In a follow-up letter in January, North Vietnam's foreign minister softened the tone of the earlier condition, insisting that Bangkok "not allow the US to use Thai territory against other Indochinese countries." In addition, the opening of discussions on a normalization of relations between the two countries was conditioned only on an expression of a Thai "desire" for such talks through unspecified "practical actions."

Following a series of news conferences by Thai leaders in mid-February, however, the North Vietnamese line hardened and, for the moment at least, Hanoi appears to have given up hopes of favorably influencing the new government. Reacting to Seni's press conference on February 16, Radio Hanoi charged that his "viewpoint regarding the US military bases in Thailand is a stereotype of the former Thai foreign minister" and "proves that the new Thai government is still pursuing an old-fashioned policy."

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Thai Defense Minister Thawit's press conference on February 19 prompted similar acerbic commentary from the North Vietnamese army daily *Nhan Dan*; it concluded that Thawit's comments favoring continued US military presence were "rather surprising as they reminded one of the stand of the former military rulers." Radio Hanoi chimed in on February 22, charging that recent Thai expressions of a willingness to establish friendly relations with North Vietnam were "deceitful allegations." The commentary concluded that the new administration was "plunging deep along the ruts of the overturned cart of the previous military junta."

Hanoi undoubtedly hoped that the new Thai government would be more responsive regarding improved relations, and particularly on the issue of the US military presence. The second North Vietnamese letter softened the earlier demand on that subject and was dated the day after Thailand's national elections--a clear indication that Hanoi was trying to get an early foot in the door to influence the yet-to-be formed Thai government. Although the Hanoi government has not yet registered its disappointment officially, the sharpened rhetoric in the media suggests that North Vietnam may revert to its earlier hard line--placing unacceptable conditions on Bangkok before preliminary discussions for improved relations can be considered.

Seni's policy proposals this week from Bangkok that all US forces must be withdrawn from Thailand within 18 months, however, will be well received in Hanoi. If such a condition becomes policy instead of politics, Hanoi probably can be expected again to adopt a more conciliatory attitude in an attempt to facilitate diplomatic discussions. How fast the Thai move to improve relations with Hanoi would be tempered at least in part, however, by the continued sizable presence of North Vietnamese troops in Laos.

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